

MERGER DECISION NO 44: 2021

Notice in Terms of Section 53(4)(a)(ii) of the Competition Act

THE PROPOSED ACQUISITION BY SMSA AFRICA LOGISTICS GROUP PROPRIETARY LIMITED (SMSA AFRICA LOGISTICS) OF 100% OF THE SHARES IN GENTEX ASSOCIATES PROPRIETARY LIMITED (GENTEX ASSOCIATES) FROM MR. CHRISTOFFEL JACOBUS SWARTS

Introduction of the Merging Parties

- i. Pursuant to Section 53(4)(a)(ii) of the Competition Act of 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“the Authority”) in respect of acquisition by SMSA Africa Logistics Group (Pty) Ltd of 100% of the shares in Gentex Associates (Pty) Ltd from Mr. Christoffel Jacobus Swarts. The transaction was notified to the Authority on 29th October 2021 and was completed on 18th November 2021.
- ii. The primary acquiring enterprise, SMSA Africa Logistics, is a South African shelf company that has been registered specifically to acquire the shares in Gentex Associates. SMSA Africa Logistics is wholly owned by SMSA Transport CJSC (SMSA Transport), a company registered in Saudi Arabia. SMSA Transport is in turn controlled by SMSA Holding CJSC (SMSA Holding), a company registered in Saudi Arabia. The Acquiring Group is primarily involved in providing logistics and transportation products and services worldwide through business partners and alliances. The Group has a direct presence in Saudi Arabia; UAE; Bahrain; Qatar; Sultanate of Oman; Egypt; and Jordan. It therefore suffices to note that none of SMSA Africa Logistics, SMSA Transport and SMSA Holding (collectively, the acquiring Group) conduct any business activities in Botswana.
- iii. Gentex Associates is a company duly incorporated in accordance with the Laws of the Republic of Botswana. Gentex Associates which conducts its business under the name of “*Namlog*”, is wholly owned by Mr. Christoffel Jacobus Swarts. Gentex Associates provides the following transportation services in Botswana: the consolidation of freight and transportation from South Africa to any destination in Botswana and return freight from Botswana to South Africa; local consolidated transportation services between Gaborone and various destinations within Botswana; dedicated distribution on full truck load basis between South Africa and Botswana; and dedicated distribution on behalf of a national retailer, delivering goods from warehouses to stores throughout Botswana using a dedicated fleet.

Relevant Markets

- iv. In Botswana, the Acquiring Group does not have any business operations. Additionally, the Acquiring Group does not control any companies with operations in Botswana. However, it has been noted that the Acquiring Group offers a wide scope of services which include international & domestic express shipping, road, sea and air freight, customs clearance, e-commerce solutions, Cash-on-delivery channel, cold chain logistics, mail room management and an array of other value-added services.
- v. The target entity, Gentex Associates, provides the following transportation services in Botswana: the consolidation of freight and transportation from South Africa to any destination in Botswana and return freight from Botswana to South Africa; local consolidated transportation services between Gaborone and various destinations within Botswana; dedicated distribution on full truck load basis between South Africa and Botswana; and dedicated distribution on behalf of a national retailer, delivering goods from warehouses to stores throughout Botswana.
- vi. Therefore, due to the absence of an overlap in the activities of the merging parties, the Authority maintains that it is not necessary to reach a definitive view on the exact scope of the product market as the market structure is not expected to change post implementation of the proposed transaction.

Competitive Analysis and Public Interest

- vii. The Authority's assessment revealed that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the service offered in the relevant market. Furthermore, no negative public interest concerns have been identified.

The Determination

- viii. The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the relevant market. Furthermore, no public interest concerns have been identified.
- ix. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition by SMSA Africa Logistics Group (Pty) Ltd of 100% of the shares in Gentex Associates (Pty) Ltd from Mr. Christoffel Jacobus Swarts.

However, as stated under section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 18th day of November 2021.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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